

## Performance Commentary

The fund fell back in May as US-China trade tensions intensified, which coincided with falling commodity prices. We also observe that the Japanese equity market is trading at a record low valuation versus the US equity market. Overall, we believe the recent escalation in the US-China trade war has created deep market dislocations, which has resulted in unjustified discounts in a number of higher quality assets. We used this opportunity to establish a position in semi-conductor producer STMicroelectronics as the current valuation indicates substantial upside on current earnings power despite most likely being able to post solid growth rates over the mid-term. On the detractor side, our holding in deeply discounted Korean conglomerate KCC was, we believe, overly weak on a disappointing earnings report. In addition, private equity bids for Avaya took longer than anticipated, thereby removing the premium in the shares. Nonetheless, there were some bright spots in the portfolio in May. The fund's biggest holding, US insurance company AIG, was the best contributor in the month after delivering its first clean earnings "beat" in a decade. We exited our position in chicken producer Pilgrim's Pride at our price target, following a more than 75% rise in the equity price as the market now more fairly discounts the turn in the chicken price cycle. Our relatively new position in Canadian Gold miner Roxgold also performed strongly.

The fund is a concentrated global equity fund with a mandate to invest in all cap-sizes, geographies and sectors globally. With our concentrated portfolio of 30-35 core positions, we aim to generate absolute returns at a controlled level of absolute risk.

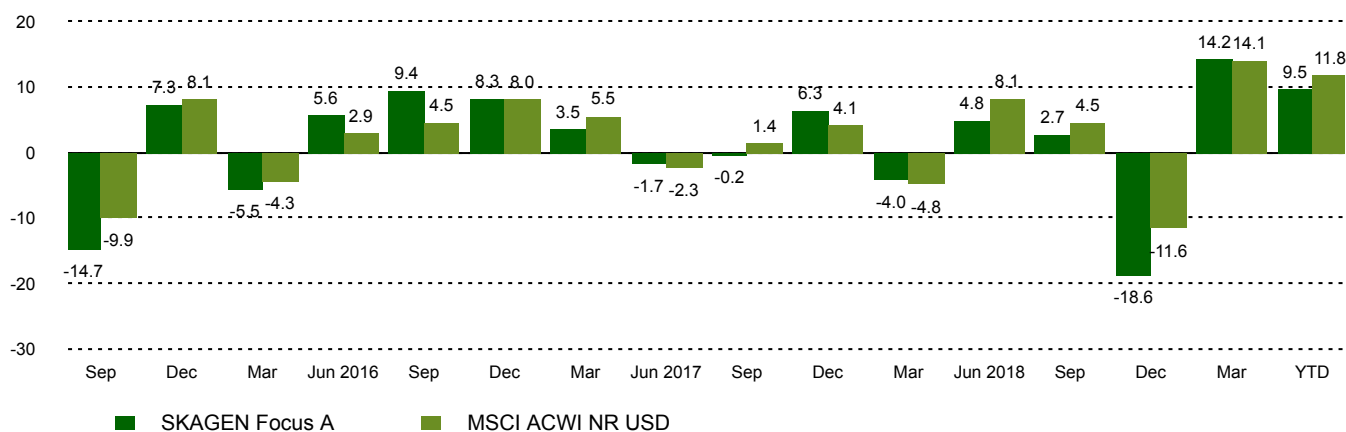
## Historical performance (net of fees)

| Period        | SKAGEN Focus A | Benchmark index |
|---------------|----------------|-----------------|
| Last month    | -7.2%          | -5.2%           |
| Year to date  | 9.5%           | 11.8%           |
| Last year     | -11.4%         | 2.9%            |
| Last 3 years  | 4.6%           | 8.9%            |
| Last 5 years  | n/a            | n/a             |
| Last 10 years | n/a            | n/a             |
| Since start   | -0.1%          | 4.5%            |

## Fund Facts

|                            |                        |
|----------------------------|------------------------|
| Type                       | Equity                 |
| Domicile                   | Norway                 |
| Launch date                | 26.05.2015             |
| Morningstar category       | Global Flex-Cap Equity |
| ISIN                       | NO0010735129           |
| NAV                        | 11.80 EUR              |
| Fixed management fee       | 1.60%                  |
| Total expense ratio (2018) | 0.8%                   |
| Benchmark index            | MSCI ACWI NR USD       |
| AUM (mill.)                | 195.53 EUR             |
| Number of holdings         | 35                     |
| Portfolio manager          | Jonas Edholm           |

## Quarterly Performance



## Contributors in the month

### Largest contributors

| Holding                        | Weight (%) | Contribution (%) |
|--------------------------------|------------|------------------|
| American International Group I | 6.87       | 0.48             |
| Roxgold Inc                    | 2.34       | 0.46             |
| Sao Martinho SA                | 4.04       | 0.13             |
| Hitachi Ltd                    | 3.61       | 0.12             |
| Pilgrim's Pride Corp           | 1.14       | 0.11             |

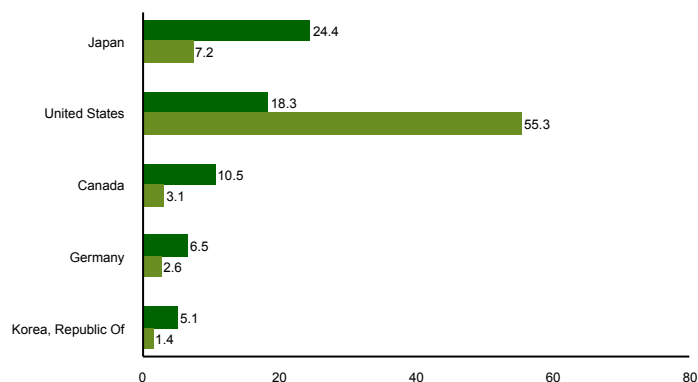
### Largest detractors

| Holding                   | Weight (%) | Contribution (%) |
|---------------------------|------------|------------------|
| Avaya Holdings Corp       | 3.17       | -1.30            |
| KCC Corp                  | 2.67       | -0.86            |
| West Fraser Timber Co Ltd | 2.69       | -0.64            |
| OMV AG                    | 4.75       | -0.56            |
| Helmerich & Payne Inc     | 3.18       | -0.42            |

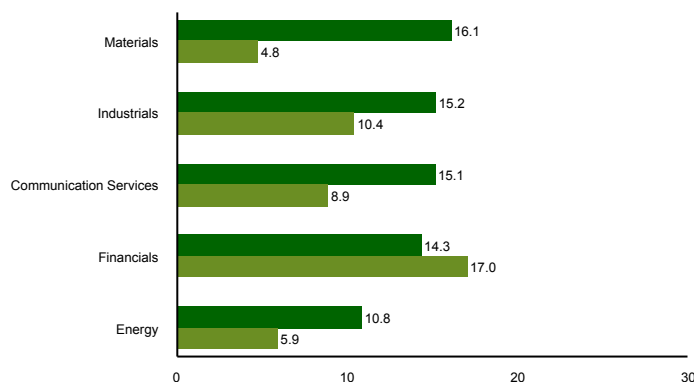
## Top ten investments

| Holding                            | Sector                 | Country       | %    |
|------------------------------------|------------------------|---------------|------|
| AIG                                | Financials             | United States | 7.4  |
| China Unicom Hong Kong Ltd         | Communication Services | China         | 4.9  |
| OMV AG                             | Energy                 | Austria       | 4.7  |
| Bank of Kyoto                      | Financials             | Japan         | 4.4  |
| Sao Martinho SA                    | Consumer Staples       | Brazil        | 4.4  |
| Ivanhoe Mines Ltd                  | Materials              | Canada        | 4.0  |
| Telecom Italia Spa                 | Communication Services | Italy         | 3.9  |
| Hitachi Ltd                        | Industrials            | Japan         | 3.8  |
| Toyota Industries                  | Consumer Discretionary | Japan         | 3.3  |
| Pasona Group Inc                   | Industrials            | Japan         | 3.2  |
| Combined weight of top 10 holdings |                        |               | 44.1 |

## Country exposure (top five)



## Sector exposure (top five)



■ SKAGEN Focus A ■ MSCI ACWI NR USD

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## Important information

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